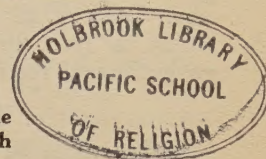


Social Questions

BULLETIN

of the Methodist Federation for Social Service (unofficial), an organization which rejects the method of the struggle for profit as the economic base for society; which seeks to replace it with social-economic planning in order to develop a society without class distinctions and privileges.



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Economic Imperatives —Now and Post-War

By CHARLES C. WEBBER

The people's revolution — Henry A. Wallace's title for the people's war—for the establishment of the century of the common man, for a world free from fascism, want, poverty and unemployment, is in grave danger of being thwarted by the powerful vested interests of monopoly capitalism in England and the United States.

ENGLISH VESTED INTERESTS

Reports from Great Britain within the past two months, based on N. E. H. Davenport's thought-provoking book, "Vested Interests or Common Pool", indicate that behind the forms of political democracy the vested interests, in their struggle after profits, have taken over the government of the country, for all practical purposes, and are preparing the economic foundations of a fascist, corporate State.

Harold Laski, outstanding English economist, writes: "The Churchill system . . . promises to try anything that may be necessary for victory; but it accompanies this with an assurance to the main beneficiaries of the old order that their privileges shall remain untouched . . . We promise the shipowners the sale of government-built ships at the end of the war . . . Reconstruction is not the task of a minister of first-rate status, but rather of a kind of superior under-secretary who initiates inquiries about which decisions may one day be made." "Unless there are profound changes in economic policy, we shall defeat Hitler only to be delivered into the hands of the same type of men for whom a Hitler is a necessary instrument."

AMERICAN MONOPOLY CAPITALISM

In the United States, the United Nations' war effort is now seriously handicapped because the War Production Board has failed to procure an adequate supply of strategic raw materials, to produce sufficient steel and to turn out the anticipated number of tanks, guns and planes. Why this tragic failure? One reason is that the War Production Board has been, and is, mainly in the hands of Big Business men and bankers—\$-a-year men—some of whom, as Frederick Libbey pointed out in his recent study of the steel industry and of the Iron and Steel Branch of the WPB, have been very much con-

cerned about the maintenance of private monopoly control after the war. And what is the primary purpose of private monopoly control—to increase production to meet the needs of mankind or to pay dividends to stockholders?

Other American vested interests are also interfering with the efforts to defeat Nazi Germany and to build a world with a high standard of living for all. Big Business men formerly connected with the oil industry and now in the employ of our government have for months, in cooperation with representatives of the oil companies, prevented the Soviet Union from securing equipment and processes for the production of aviation gasoline. (They have done this even in opposition to the President.) "The big oil companies," according to I. F. Stone (The Nation, September 26, 1942) . . . "are unwilling to allow it (the Soviet Union) to use their patents and processes. They fear . . . that these processes may enable the Soviet Union to sell more oil on the world market after the war is over." The desire for post-war profits by American oil companies may not only enable Germany to defeat the Soviet Union, but may block a full post-war production of aviation gasoline.

Further evidence as to the present strength of the conservative industrial and property interests in the United States in opposition to the people's revolution directed toward a more equalitarian society is to be found in the following facts:

(1) There is a lack of *official* representation of organized labor on the governing board of the WPB and of *adequate* representation in the regional offices of the WPB.

(2) There are only about 600 effective labor-management committees in the 10,000 war plants.

(3) Notwithstanding the fact that the profits of companies and corporations in the year 1942 are estimated to be some 400 per cent above profits in the year 1939, Congress has refused to tax corporations adequately, has refused the President's request that no individual be permitted to earn more than \$25,000 a year, and yet is considering placing a 5 per cent tax on all incomes in excess of \$624—a camouflaged sales tax.

(4) The farm lobby at Washington, D. C., almost succeeded in keeping the prices of agricultural products above 110 per cent of parity.

(5) A recent statement in the Wall Street Journal declared that a transition to a peace-time economy would be impossible without one "absolute requisite," namely, a "firm purpose on every one's part to free the road for

private initiative of all removable obstacles." Does the Wall Street Journal believe that the requirement for post-war prosperity is a return to pre-New Deal capitalism? Does Wall Street want a monopoly capitalism which is free, in the struggle for profits, from all governmental restraints?

IMMEDIATE ACTION

Action must be taken *now* to counteract the threats to the people's revolution of monopoly capitalism and the vested interests of the United States.

We must stabilize the cost of living, including the prices of all farm commodities, and wages as well.

We must ask for the rapid extension of the rationing system to *all* scarce commodities so that all people, rich and poor alike, may be dealt with fairly.

We must petition Congress to place a 100 per cent tax on all profits over and above a 6 per cent return on invested capital, and to make it impossible for any individual to earn more than \$25,000 a year.

We must call for the official representation of organized labor on the governing board of the WPB and for an adequate representation of labor in all of the divisions of that organization.

We must bring pressure to bear on the management of the war plants in our communities to set up genuine labor-management production committees.

We must continue to work for the abolition of race discrimination not only in war plants and trade unions, but in all aspects of our national and international life.

A NEW WPB

At the same time there should be a demand on Congress and the President for a *new* WPB to establish a planned, centralized control of the national war economy—an agency that would put an immediate stop to any and all practices of the representatives of monopoly capitalism, either in government employ or out, which interfere with the war efforts of the United Nations or with the post-war plans for a full production of the essentials of life.

This new WPB should make a survey of our country's resources — men, materials, tools and transportation. "It has . . . to be an agency," as Thomas Sancton puts it (The New Republic, August 31, 1942), "which can let a contract wherever the productive capacity exists—to big firms, to middle-sized firms, to pools of small firms; an agency which can keep necessary materials flowing to fill that contract, the necessary men available to execute it, and the transportation to get it to the armed forces."

A new WPB would not be able to carry out such a coordinated plan under the present corporate set-up. It is imperative, therefore, that the new WPB be given authority to take direct control of basic industrial corporations through leasing or licensing measures, and to control, coordinate and direct these industries, in co-operation with organized labor, so as to achieve the greatest output of goods from our national resources.

ENGLISH IMPERATIVES

Within the past few weeks outstanding English economists, political scientists and churchmen have evinced

a tremendous concern over the present danger of British monopoly capitalism to the war efforts and to post-war economic reconstruction.

Harold Laski, speaking before the Cooperative Conference in London on September 19th, asserted, "that unless some start is made before the war is ended any genuine reconstruction is foredoomed." He urged national control of credit, including the whole system of private insurance, national ownership of land, coal, transport, electric power, and the international control of shipping.

N. E. H. Davenport in his book, "Vested Interests or Common Pool," proposes that during the war period "the State must take a lease of all the real capital resources of the community—that is, of the whole of our natural wealth and the instruments of production." According to this plan the Government would directly manage some of the industries through Commissions. It would leave others to private management under its general supervision. He believes that the Government by so doing would prevent the vested interests from using their present strategic position to "dig-in" for post-war profiteering.

The Archbishop of Canterbury, while addressing the Industrial Christian Fellowship in London on Sept. 26th, maintained that to put the profit motive first "may lead to an ordering of economic life which in fact is damaging to the general interest." He then welcomed proposals "aiming at a combination of the advantages of public ownership and ultimate control with private initiative." He also advocated a central planning authority through which the State would develop land "in the interests of the public."

One of the most significant organizations in Great Britain today is the Commonwealth group—an organization composed in part of middle class church people. Under the leadership of J. B. Priestly and Sir Richard Acland, they are calling for the transference now to the nation of the banks, mines, railways and basic industries as a guarantee that the drive for an all-out war effort may become a drive for an all-out peace effort to abolish poverty and unemployment.

POST-WAR

ECONOMIC PROBLEMS AND PLANNING

Immediately upon the cessation of hostilities the nations of the world will be confronted with three major interdependent and overlapping economic problems — relief, reconstruction, and long-range planning and building.

At present there are those who say that these issues should not be discussed for fear that the spirit of unity among the peoples of the United Nations will be destroyed. They are overlooking the fact that the men in the fighting services and the workers in the mills, mines, and on farms need the strength that comes from the knowledge of a concrete program for the post-war solution of the problems of economic inequality, unemployment and war.

RELIEF AND RECONSTRUCTION

A gigantic international organization will be required to meet the relief needs of the populations of the war-

devastated areas—an organization with power to control the world's shipping, to rehabilitate ocean ports, railroads and highways, and to select and maintain an international administrative staff of relief and medical workers. Thousands of shiploads of food, clothing, medical supplies, agricultural implements, draft animals, and building materials will have to be accumulated, shipped, docked, and transported to the victims of war, famine and disease.

At the close of World War I, during which the Allied Maritime Transport Council was formed, the French and British governments urged the Allies (including the United States) to maintain a temporary control over the distribution of basic raw materials and foodstuffs and to provide the means of transporting these materials to the consuming areas.

Mr. Herbert Hoover, then United States Food Administrator, is reported to have "advised President Wilson that it would not be in the interest of American exporters to have the prices of their products fixed by agencies on which foreign representatives would have the deciding votes. The President appears to have yielded to this advice, for Hoover cabled London shortly afterwards that the United States could not 'agree to any program that even looks like inter-Allied control of our economic resources after peace.'" (Uniting Today for Tomorrow by Kirk and Sharp. Published by the Foreign Policy Association, October, 1942.) At the close of World War II such a tragic action must not be duplicated.

American and British citizens must request their respective Governments *now* to make the present functioning Combined Raw Materials Board, the Combined Food Board, the Combined Production and Resources Board, the Combined Military Transportation Committee and the Combined Shipping Adjustment Board—all of which are composed of only American and British experts—into agencies of a Council of the United Nations, with each member nation having a fair representation on each Board.

As soon as this has been accomplished the citizens of the United Nations must exert pressure upon their Governments to have the Council of the United Nations set up a Combined Raw Materials, Food, Production and Shipping Board with a *Post-War Relief and Reconstruction* sub-committee.

This United Nations Committee should cooperate with, or supersede, the already functioning Inter-Allied Committee on Post-War Requirements set up by the eight guest governments in London to accumulate stockpiles of commodities for the relief and rehabilitation of their respective countries after the war. It should also cooperate with the International Labor Office and coordinate the work of the Post-War Divisions of the national governments in the United Nations.

Four major tasks, in addition to those already indicated, await the United Nations' Post-War Relief and Reconstruction Committee:

(1) Stockpiles of food reserves and other supplies, in amounts not so large as to interfere with the war effort, will have to be accumulated.

(2) Such an effective plan must be formulated for international relief that the United Nations Combined Raw Materials, Food, Production and Shipping Board

will be able to put it into operation with a minimum loss of time and effort.

(3) A plan for an International Reconstruction and Public Works Corporation must be formulated—a Corporation to be organized by the Council of the United Nations and charged with the responsibility of planning gigantic post-war enterprises—such as the development of the Amazon Valley and the control of the flood waters of the Yellow River—public works capable of absorbing all of the demobilized soldiers and war workers not required by peace-time industry and agriculture.

(4) The structural plan for an International Bank should be prepared, with suggested ways of providing it with capital—such a Bank to be organized by the Council of the United Nations and assigned the task of financing relief and reconstruction.

The major financial support of these tremendous undertakings will have to be given by the citizens of the United States and Great Britain. Congress will have to enact a post-war Lend-Lease Act and appropriate billions of dollars. We, the taxpayers, will have to consider our payments into the Federal Treasury as "insurance premiums" against international economic chaos and its accompanying evils of famine, disease and war.

LONG-RANGE PLANNING AND BUILDING

This post-war economic problem presents the peoples of the world with still further imperatives. They will have to request the Council of the United Nations to set up an International Planning Board with authority to coordinate the policies and programs of the various national planning boards relative to the production and shipment of goods for international consumption. This Board will have to prepare an "infinitely expansible plan of consumption"—a plan that will place such a demand upon the world's productive forces for its fulfillment as will fully occupy them.

This plan, in turn, will require the people in each nation to insist that their own national planning board demand that production in the nation be organized around the principle of goods for use or consumption and not around the principle of production primarily for profit.

SOCIAL OWNERSHIP AND OPERATION

The application of the principle of production for use and not for profit makes it imperative, when the war is over, for the peoples of the United Nations and of the prospective United States of Europe or European Regional Federations to further develop and perfect the socialization and democratization of the basic industries and banking. The experience of peoples in the Soviet Union in dealing with this problem should be carefully examined and utilized in a constructive manner.

Monopoly capitalism and international cartels operating primarily for profits must be completely eliminated.

National economic constitutions must be adopted, making it legal to set up a series of coordinated public corporations on a non-profit basis similar to the TVA. The control of these corporations under government supervision must be placed in the hands of thoroughly trained executives, democratically elected representatives of labor, and public representatives of the consumers.

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Economic Imperatives

(Continued)

In other words, the people must socially own and operate, through their qualified representatives, all industries necessary for the successful operation of a planned economy.

This does not mean that every industry will be socialized. Private ownership and operation can prevail in those business enterprises that do not vitally affect the entire national economy. Consumer Cooperatives, as a form of social ownership and operation, will, of course, have a significant role to play.

MORAL PURPOSES

In order to make democratic, socialized planned economies function for the common welfare, it is necessary for the peoples of the world to be motivated by compelling moral purposes. The pursuit of profit as a moral force capable of providing the nations with either an adequate amount of the instruments of war or satisfactory solutions of their economic problems, has been found wanting. The primary reliance upon the profit motive must be replaced by a reliance upon man's capacity and willingness to work and to sacrifice for the common good.

The present war is a clear demonstration that millions of men and women not only have this capacity and willingness but also that they are utilizing them to the utmost, even to the extent of giving up life itself. The problem now before us is how to carry over these motivating moral purposes into post-war living, or how to get a peacetime moral equivalent of war.

Here the Christian ideals and ethic can be of help. They maintain: (1) that every individual, irrespective of race, color, creed, sex or class, is a sacred personality, and should be treated as such; (2) that all men and women are brothers and sisters—members of one great human family—a classless society; (3) that all Christians are obligated by their faith in God, as exemplified in Jesus, to utilize their abilities primarily in being "servants of all," especially of the weak, oppressed and down-trodden.

Modern science and technological

developments are bringing on a transition from an age of scarcity to one of potential abundance. The knowledge of this, coupled with the Christian conviction that God is cooperating with man and expects man to cooperate with Him in creating a commonwealth on Earth, gives mankind a dynamic social faith and hope.

This faith and hope envisage a community of nations wherein the natural resources, the tools of production, the social and economic institutions and trained men and women will be employed in feeding the hungry, clothing the naked, visiting the sick, building hospitals, schools and homes, and in carrying out the multitudinous social welfare activities of a modern society—a society which, when the economic problems are solved, will go on to higher levels of creative living in the fields of art, literature, science, philosophy and religion.

A faith of this character will give a drive and a sustaining power to men and women as they resist monopoly capitalism and work for the establishment of a planned economy. It will enable them to restrict their consumption of the necessities of life, in the period of reconstruction, so that the more urgent needs of others may be met.

Since without a social faith there is no hope for the solution of the problems of inequality, unemployment and war, the acquisition of such a faith is not only a Christian duty but an economic imperative!

M. F. S. S. Youth

At the recent National Convocation of the Methodist Youth Fellowship a new Youth Section of the M. F. S. S. was organized by Charles C. Webber who was serving as a Resource Person for the Commission on "Building a Christian Economic Order."

The large group of young people present at the three organizational meetings enthusiastically adopted a constitution which declares, in essence, the following: The purpose of the Youth Section is "to reject the method of the struggle for profit as the economic base for society and to replace it with social-econom-

ic planning in order to develop a society without class distinctions and privileges."

The officers elected were: President, Robert Bobilin, New York; Vice-president, Warren Paige, Iowa; Secretary-Treasurer, Julia Moody, Georgia. (The President and Secretary-Treasurer are now the youth representatives on the adult Executive Committee.)

The other members of the Youth Executive Committee elected were: Mary Jane Howe, Pennsylvania, and Charles Malin, Jr., Pennsylvania, representing the Northeastern Jurisdiction; Ethel Thomas, Virginia, and W. L. Joyner, Florida, Southeastern Jurisdiction; Ruth Hemersley, Wisconsin, and Stanley Wright, Iowa, North Central Jurisdiction; William Clark, Jr., Kansas, and Paul Davis, Missouri, South Central Jurisdiction; Evans Crawford, Texas, Central Jurisdiction; Virginia Keegan, Wyoming, and John Wade, Colorado, Western Jurisdiction; while Mary Wilkerson, Mississippi, Cornelia Russell, Tennessee, Doris Collins, West Va., Charles White, Michigan and Henry Hauser, Colorado, represent the members at large.

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